U. S. SENATE

Republican Policy Committee

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Eight Senators Call for Tax Relief as the Nation Celebrates "Tax Freedom Day" on May 7 — the Latest Date Ever

May 7, 1996, marks Tax Freedom Day. That is the day the average taxpayer in America stops working to pay his taxes, and begins to earn money for himself. Put another way, for every dollar the taxpayer earns, 38 cents of that goes to taxes. Eight U.S. Senators spoke out on the need for tax relief and tax reform this year — starting with the repeal of the 4.3-cent federal gas tax that was added to the consumer's tax burden as part of the President's 1993 tax-and-spend budget package. Attached are the statements by Senators Coverdell, Grams, Pressler, Stevens, Gregg, Mack, Murkowski, and Grassley, as published in the May 3 *Congressional Record.*

Among the points made by the Senators were these:

- In 1925, Americans had to work until February 6 to be free of taxes. That date this year is May 7 — jumping a full week since Clinton took office. It's also the latest Tax Freedom Day on record, leaving Americans less of their paychecks than any other time in history.

- President Clinton reneged on his promise for a middle-class tax cut, and instead shepherded into law the largest tax increase in history — a tax increase passed with Vice President Gore's tie-breaking vote, and with not a single vote from the other party. Included in that package was a 4.3-cent-per-gallon tax on gasoline that hits Americans of all income classes every time they put gas in their cars, and every time they get on an airplane.

- The gas tax is pervasive and it's regressive — it touches all Americans directly and it most dramatically affects poor and lower-income Americans. Repeal of the 4.3-cent additional tax would give drivers much-needed tax relief, that is 4 cents a gallon each and every time they fill up. The President's announcement to sell a small amount of oil from the Strategic Petroleum Reserve will do next to nothing to affect the price of gas. The President vetoed the Balanced Budget Act, which included a $500 per child tax credit. Repealing the gas tax would be one step in the right direction — restoring tax relief for all Americans.

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[See attached *Congressional Record* statements]

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FREEDOM FROM BURDENSOME TAXES

Mr. COVERDELL. Mr. President, President Clinton, as a candidate, told the American people that once in office, he would lower taxes—lower taxes—on the American middle class.

Three years later, as we stand here, the cost to the typical family has risen in higher taxes and lower earnings under President Clinton's administration by $2,600 per family.

It was President Clinton who said, "I oppose Federal excise gas taxes." That is in his "Putting People First," Clinton's 1992 campaign book.

Here is another quote from President Clinton: "It sticks it to the lower income and middle-income retired people in the country, and it's wrong."

That is candidate Bill Clinton on Paul Tsongas' proposal for a gas tax increase.

Today, as we all know, President Clinton proposed and forced and enacted by a 1-vote margin in the Senate a new gas tax which adds 4.3 cents on every gallon of gasoline. I believe most

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

of us remember that when we were debating that tax, for which no one on this side of the aisle voted, we were told that the tax increase would only apply to the wealthy. I am sure that everybody who pulls up at that gas pump once or twice a week and sees that little ticker going off at 4.3 cents per gallon probably does not consider themselves among the wealthy. In fact, the lower income population of our country dedicates 7 percent of their wages to the purchase of gasoline.

So it is an inordinate burden on middle- and lower income Americans. I read it again: "It sticks it to the lower income and middle-income retired people in the country, and it's wrong." That is candidate Bill Clinton.

But every American who goes to a gasoline pump understands what President Bill Clinton did. He raised gas taxes on every family, every citizen, every business and every community, and they are all suffering from these new taxes.

They ought to be repealed. The gas tax should be repealed as another step of lowering the economic burden on the American working family and the American working business.

Mr. President, I yield up to 10 minutes to the distinguished Senator from Minnesota.

The PRESIDING OFFICER (Mr. STEVENS). The Senator from Minnesota is recognized for 10 minutes.

Mr. GRAMS. Thank you very much, Mr. President, and I thank the Senator from Georgia.

Mr. President, Webster's dictionary defines freedom as "the quality or state of being free; the absence of necessity, coercion, or constraint in choice or action."

That is the dictionary definition anyway. But how do Americans define freedom for themselves and their families?

For most of us, freedom means the ability to make our own choices—basic decisions like where we are going to live, what kind of job we are going to have, where we would like our children to go to school, and how we want to raise them. And in a free society like ours, freedom certainly has to include controlling our own finances.

But does it?

American families feel like they are being stripped of their financial freedom. There is strong evidence to back that up. And you can blame it on taxes.

Each year, the nonpartisan Tax Foundation calculates Tax Freedom Day.

That is the day on which Americans stop working just to pay their State, Federal, and local taxes and actually begin keeping their earnings for themselves or for their families.

In 1925, Tax Freedom Day arrived on February 6. But this year, New Year's Day, Groundhog Day, Valentine's Day, President's Day, St. Patrick's Day—Earth Day and Arbor Day, as well—will all have come and gone before Americans get to keep the first dime of their own money on May 7.

At 128 days into the year, 1996 marks Tax Freedom Day's latest arrival ever. In fact, Tax Freedom Day has jumped ahead an entire week since President Clinton took office, because under Bill Clinton's watch, the Government is taking more from the paychecks of middle-class Americans than ever before.

Today, the typical American family faces a total tax burden of 38 percent. Taxpayers are turning more money over to the Government than they are spending for their family's food, clothing, shelter, and transportation combined.

The news is even more discouraging for the taxpayers of Minnesota, my home State. Because of higher State and local tax rates and differences in the Federal tax burden, Minnesota is tied with Wisconsin in having the fourth-latest Tax Freedom Day in the Nation.

Minnesotans will not begin keeping their own dollars until May 15, fully 8 days later than the national average. Only the residents of Connecticut, New York, and New Jersey pay higher taxes than we Minnesotans.

By imposing his record-breaking, $265 billion tax increase in 1993, President Clinton bears the responsibility for the ever-increasing tax burden on Americans.

From singles, to families, to seniors, to job-providers, every segment of society has felt the pinch. Motorists were hit especially hard by the President's gas tax increase, which has boosted the cost of gasoline by nearly $5 billion every year.

Whatever you call it—the "Clinton crunch" or the "middle-class squeeze"—as long as taxes keep rising, the dollars Americans have left over to provide for their families will keep falling.

And so it should be the goal of Congress and the President to help Americans earn more money, and keep more of the money they earn, so they can do more for themselves, their kids, their communities, their churches.

If Washington wants to ensure that Tax Freedom Day arrives earlier next year, there are four important steps we'll have to take.

No. 1. Cut taxes for working families.

Tax-cutting ideas like the $500-per child tax credit, elimination of the marriage penalty, adoption and eldercare tax credits, and tax incentives designed to create jobs and boost salaries, were the centerpiece of the balanced budget plan passed by Congress last year. That was the same balanced budget vetoed by the President. He does not seem to understand what you and I and the American people already know: cutting taxes is the single-most valuable way Washington can give families back control of their own dollars.

And the first tax we are going to roll back is the Clinton gas tax increase. It comes at a time when hard-working Americans are feeling anxious and worried about making ends meet. Congress must not rest until President Clinton has signed our tax relief into law.

No. 2. Make it harder for Washington to raise taxes.

It is easy for the Government to claim that compassion is fueling the billions spent each year on its smorgasbord of expensive Federal programs. But what the Government keeps forgetting is that its compassion is funded by the tax dollars it takes from hard-working Americans. If we are ever going to rein in big Government and wasteful spending, we must make it harder for the big spenders in Washington to take more of the taxpayers' money through higher taxes. We have to make it more difficult.

My colleague from Arizona, Senator JON KYL, and I introduced a constitutional amendment in February to require that any new tax, or expansion of a current tax, be approved by the House and Senate by a three-fifths supermajority vote, not the simple majority needed today. The House recently debated a similar amendment—theirs required a two-thirds majority vote. Ten States have supermajority laws on the books, and taxes have actually dropped in those States by about 2 percent. Taxpayers elsewhere are dealing with a 2-percent increase in the taxes they pay to government without that supermajority.

There have been 16 major votes in Congress over the last 30 years to increase taxes. That is a new tax increase every 22 months on average—apparently there has been no shame of going to the well of taxpayer money every time the big spenders in Washington wanted to spend more.

Many of those tax increases, however, passed by slim margins—including the one-vote margin approving President Clinton's 1993 increase—and would not have been enacted at all if the three-fifths or two-thirds requirement had been in effect at that time.

No. 3. Educate the taxpayers about where their tax dollars are going.

Most people know that their Federal tax dollars fund the Social Security program, and Medicare. But beyond that, few give much thought as to how the rest of the $1.4 trillion the Government will collect in taxes this year is spent.

For example, they probably would not think that some of the most successful products in the world—products like Tyson chicken, McDonald's hamburgers, and Gallo wine—would need to have their advertising subsidized by the taxpayers.

Yet the Federal Government will spend 90 million tax dollars this year promoting these and other household names overseas.

Would taxpayers guess that many of the Nation's wealthiest communities are taking tax dollars to build boating marinas and riding trails?

Or that the Government runs 125 separate job-training programs at an annual cost of $16 billion—often training people for dead-end jobs, or jobs that do not exist?

The taxpayers have every right to feel ripped off.

But what should disturb them most is that in 1996, we are spending 15 percent of the Federal budget just to pay the interest on money we borrowed to finance expensive programs we could not afford in the first place.

Mr. President, an educated taxpayer is the Washington establishment's worst enemy.

No. 4. Reform the tax system.

There are not many Americans who celebrate when April 15 rolls around. Not only are taxes too high, but people are frustrated by a tax collection system that is too complicated, too big, and too unfair. As proof of just how massive the IRS has grown, consider that the FBI, the Drug Enforcement Agency, and the Border Patrol have a combined work force of 36,600 employees, while the IRS itself carries 111,000 workers on its payroll.

We need tax reform—a fairer, simpler, more sensible way to pay for the services of Government. The National Commission on Economic Growth and Tax Reform recently outlined six goals for Congress to consider in reinventing our tax system to make it more responsive to the taxpayers:

First, fairness for all taxpayers; economic growth through incentives to work, save, and invest; simplicity, because the tax system should be less costly to manage, and everyone should be able to understand it; neutrality so that people, not Government, are making the choices; visibility so that Americans know what they're getting for the taxes they pay; and stability, to allow families more freedom to plan for their futures.

Mr. President, Tuesday, May 7—Tax Freedom Day—should be more than just another day for counting up the high cost of Government. We want to give back Americans control of their lives. We want to give Americans their freedom.

Therefore, Washington can and must do better by the taxpayers. Mr. President, let us use Tax Freedom Day as a reminder of what freedom really means to Americans, and just how important it is that we continue fighting for it on their behalf.

I thank the Chair and yield the floor.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, at this time I first want to thank the Senator from Minnesota. I yield up to 10 minutes to the distinguished Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 10 minutes.

Mr. PRESSLER. Mr. President, I want to commend my friend from Minnesota, who speaks so eloquently on the issue of taxes. I follow his leadership and depend on it in this area. I want to continue on the theme he has raised so eloquently here.

We must repeal the gas tax. It is hurting farmers, truckers, tourists, airlines. It seems that every time Washington wants to solve a problem it passes an additional tax. It is with the belief that this will somehow solve problems. But we can actually get more revenue into the Federal Treasury by restraining certain types of taxes on production.

For example, in my State of South Dakota, if we could repeal the gas tax and make sure it went to consumers, we would be in the position that our truckers would be better off who haul agricultural commodities to markets. It costs us about 50 cents a bushel to move our agricultural commodities to market. Our airlines would be better off, especially with the tourism season.

Tourism is our No. 2 industry in South Dakota. I have in my hand an article from today's USA Today, Friday, May 3, "Rising Jet Fuel Tab May Lead to Fare Hikes." If there are fare hikes, they will perhaps be the highest in perhaps some of the nonhub airports. That will hit at the heart of South Dakota's tourism season.

Mr. President, I ask unanimous consent to have the article "Rising Jet Fuel Tab May Lead to Fare Hikes" printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the USA Today, May 3, 1996]

RISING JET FUEL TAB MAY LEAD TO FARE HIKES

(By Keith L. Alexander)

Soaring jet fuel prices are threatening travelers' budgets and airlines' profits.

Jet fuel prices have increased an average 11 cents from a year earlier, to 65 cents a gallon in April.

If sustained, the increase in jet fuel prices would translate to more than $1.8 billion a year in higher costs for airlines.

The industry worries that higher fuel prices could threaten hopes for a second straight annual profit. The industry earned $2.4 billion last year, its first profitable year since 1989.

Fuel is the second-largest expense after personnel. Each penny increase represents $170 million in annual costs.

"Whenever we have a sharp increase in jet fuel costs, it's almost always resulted in enormous losses in the industry," says Air Transport Association economist David Swierenga. Travelers could notice higher fares this year as airlines try to compensate for the rise in fuel costs, Swierenga says.

The money has "to come from someplace," says Gus Whitcomb of America West. Its fuel costs rose to 71 cents a gallon from 60 cents in January.

"The traveler will have to pay more," agreed Delta Air Lines spokesman Bill Berry.

Airline fares already have increased about 8% this year.

American Airlines is trying to develop a plan with the Federal Aviation Administration to fly more direct routes that tend to burn less fuel.

But Wall Street analysts say airlines are overly concerned: The analysts expect fuel prices to subside later this year.

Another plus: the expiration of the 10% ticket tax in January, which could save the industry $5 billion this year.

"There would have to be a lot of negative events for the industry not to have a profit this year," says Lehman Brothers airline analyst Brian Harris.

Mr. PRESSLER. Mr. President, we speak a great deal about families and people who are struggling to make a living. In the Midwest everybody who produces things uses fuel. Our farmers get on a tractor and drive it all day using fuel all day. A trucker runs a truck and uses fuel all day.

A builder uses fuel all day. There are some who believe in taxing the means of production. I say we should lessen the tax on the means of production and let us discover, as we know that will stimulate the economy and we will have more revenue in the Federal Treasury, because we will have more economic activity.

Now, some have said that we do not want to pass this cut in the gas tax, this repeal, because the benefits will go to the companies and not the consumers. That is not true. This will be structured in such a way that the consumers and the users will get this.

Others have said the high gas prices are caused in part by a need for more antitrust action. I say fine. I am an advocate of vigorous enforcement of the antitrust laws under Scott-Hart-Rodino antitrust or under Clayton or under the Sherman Antitrust Acts. Also, the price-fixing aspects of those, if there is evidence thereof.

All those steps are necessary and good but as a member of the Senate Finance Committee we have a chance to repeal the gas tax. We should do so. It will help consumers. It will help families. It will help agriculture. It will help tourism. It will help all the aspects of our economy as we enter this summer after this long, difficult winter.

Mr. President, in conclusion, let me say that it is time to repeal the gas tax. It is time to give to consumers that break. It is time to create more economic activity in agriculture and tourism and trucking so that our economy can grow instead of being restricted by taxation. This is a rare opportunity at the beginning of this spring and summer season, after this long, hard winter. Our people are bursting forth with energy to do things. To repeal this tax now would be another boost to them.

I am proud to join in this effort to repeal the gas tax. I yield the floor.

Mr. COVERDELL. Mr. President, I thank the Senator from South Dakota. He represents a rural economy. We all know that the gas tax is uniquely difficult for rural communities. I know the Presiding Officer would like to speak to this issue. I yield up to 10 minutes to the Senator from Alaska.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER (Mr. COVERDELL). The Senator from Alaska.

Mr. STEVENS. Mr. President, I thank the Senator from Georgia, the current occupant of the chair for his courtesy. I am very privileged to join this group that is talking today about the economics, and particularly about taxes.

Mr. President, yesterday, May 2, was Tax Freedom Day in Alaska. Next Tuesday will be the National Tax Freedom Day. That is the day we quit working for governments—whether it is Federal, State, or local government—and start working for our children, for ourselves, for our families.

For the period from January 1 to May 2, in Alaska we have to take what we earn, literally, and pay it to one of those governments. I think it was especially difficult for middle-income Americans to make their checks out to the Internal Revenue Service this year because the tax cut that Congress approved to reduce taxes for families was vetoed by President Clinton.

The Balanced Budget Act that Congress passed cut taxes for low- and middle-income taxpayers. It would have reduced the tax burden on married couples and allowed homemakers to save for their retirement with an individual retirement account. Congress also provided a $500-per-child tax credit. If President Clinton had signed our bill into law, many Americans who had filed their tax returns on April 15 would be getting a tax refund now, instead of having to have made the payment they did make on April 15.

Three years ago, President Clinton demanded and obtained approval of the Congress of the largest tax increase in history. That was a bill that I opposed. I want to point out not one Republican voted for it. What really made Alaskans mad, when that was passed, was that it was a retroactive tax.

I am pleased to see the Senator from Georgia in the chair at this particular time, when it is announced that the Governmental Affairs Committee, which I chair, will mark up his legislation to ban unfair retroactive tax increases the next time we meet in markup.

Our Senate Committee on Governmental Affairs has oversight over all governmental agencies, and I want to share some observations about that jurisdiction. We have some difficult problems with the IRS. They are taxpayer problems, not our committee's problems, but we have been reviewing them.

The problems are literally horror stories, situations that terrorize Americans who work hard and try to abide by the laws that we pass. Among the horror stories I have heard recently include the IRS repeatedly levying against the property of a widow in Anchorage, AK. That widow did nothing improper. She filed a joint return for the year of her husband's death in 1993 and later applied to use the credit from their overpayment in 1993 to pay her own tax bill as a widow in 1994. The IRS has stopped processing the 1993 return, so when the 1994 tax return was reviewed, the credit could not be used. Her first notice of the situation was a notice of the levy on her property, which she received in the fall of 1995; that notice of levy was for underpayment of her 1994 taxes, notwithstanding the fact she had overpaid taxes in 1993.

Now, that is an impossible situation. Why should a taxpayer be called to task before the Internal Revenue Service checks its own records as to whether or not there is a prior year overpayment? Another case is the levy and sale of State fishing permits by the Internal Revenue Service. We have in the State of Alaska a number of hard-working individuals who have developed a tax compliance program to try and help rural Alaskan Native fishermen who are now starting to earn money through the management of our fisheries. Many of them do not have English as a first language, Mr. President. The Tax Code can be a difficult thing for them.

In Alaska, our State will actually loan money to fishermen to pay their Federal taxes if they get behind because of the economy—the fishing prices change, their costs are difficult, and many of them look to their current income to pay taxes when they are due. It can be difficult to save in the prior year, and they are not subject to withholding. They are self-employed.

The IRS recently went ahead and seized and auctioned permits belonging to Alaskan Native fisherman. That sent a very negative message to these people who were just coming forward to work with our State and the group that joined together to help them understand the tax laws. The State had already committed funds to help with regard to such taxes. If they had had proper notice of IRS intentions with respect to these cases, they would have loaned money to these people.

I must say, just parenthetically, that Commissioner Margaret Richardson showed genuine concern for the Native people. She went to Alaska with me. She visited some of the people involved, and I think she is going to try and help work out some solutions to the problems.

I am sure that every Member of Congress hears routinely the kind of complaints and horror stories from constituents as I hear from Alaskans. These are stories regarding lost records, missing notices, computer errors, and just the all-around hardness of some people in the IRS, who have the job of collection.

In my judgment, there are a great many mistakes in the IRS that cost taxpayers dearly. Each time they get in one of these problems, they have to hire an attorney, take time off from work, or try to get an accountant to help them solve their problems. The real difficulty is, when we think about when I was talking about Tax Freedom Day, Alaskans work all those first 4 months of the year to pay the people who bring these problems to their doors. We have a lack of understanding too many times by Government employees about who is really paying their salaries.

Many of the problems I find in our oversight of the IRS by the Governmental Affairs Committee results from the IRS's 10-year attempt to modernize its computers. The IRS goal in this regard to centralize the data base and make taxpayer data immediately accessible when a taxpayer calls to resolve a problem is a good goal. But the IRS computer system currently cannot interface. These computers do not talk to each other, Mr. President. When taxpayers call to resolve a computer error, they can find themselves talking to a computer, not an individual that can analyze their problem.

Furthermore, IRS financial management system is in disarray. Millions in taxpayers' money has been spent on modernization, with very little results. The General Accounting Office recently reported to our committee that the IRS cannot account for $10.4 billion in taxes that its records show it collected.

In addition, taxpayer privacy is now at risk. Federal standards for information systems are not being followed by the IRS. The National Research Council, which again has helped our committee analyze this problem, stated to us, "the gap between the current tax system modernization security posture and the minimum security acceptable will continue to widen, thus, virtually assuring massive security breaches in coming years."

That is a warning to our committee that if the IRS continues on the path it is on now, the security of taxpayer information is going to become worse, despite the fact that we are spending millions trying to improve the computer system. Computers cannot replace human beings, Mr. President. The IRS must administer the tax system with the precision it demands of taxpayers.

The Tax Code is too complex. The Internal Revenue Service reported to us that it takes, they believe, an average of 12 hours for a taxpayer to complete a standard 1040 form. The Schedule C, small business people will need an average of 22 hours, they say, to fill out the 1040. I am advised that Money Magazine ran a little experiment. They hired 50 professional tax preparers—professionals—each to complete a tax return for the same hypothetical taxpayer. The result was 50 different tax bills.

Americans should not have to play Russian roulette with the IRS.

Recently, our Senate Governmental Affairs Committee held an oversight hearing on the IRS. As I say, these problems are significant. I have come to the floor today to announce to the Senate that we will hold four more hearings on the IRS. The hearings will provide the Senate with information about steps that the Congress and the administration must take to bring the IRS into the 21st century, with fairness and protection for taxpayers.

I will close with what I said earlier, Mr. President. Congress must demand that the Internal Revenue Service administer our tax system with the same precision it demands of the taxpayers themselves.

Thank you very much.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Hampshire.

Mr. GREGG. I understand we are in morning business.

The PRESIDING OFFICER. We are in morning business with 90 minutes dedicated to the Senator from Georgia, or his designee.

Mr. GREGG. Pursuant to that, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator is recognized for 10 minutes.

Mr. GREGG. Mr. President, we are here to talk a little bit about taxes and how we got into this mess on gasoline prices. I suspect this mess came to my attention about the same way it came to everybody else's attention. I went down to my gas station to fill up my Ford Taurus, which usually takes about 11 gallons of gas, unless my daughter, who is 16, has been driving it—then it takes about 12½ gallons of gas. But I noticed that when it got to the usual dollar amount where it is full and I pay the bill, the thing was still taking gas and the dollars were still going up. It appeared to me that, by the time it stopped taking its 11 or so gallons of gas, the bill I was getting was about 20, 25 percent more than what I was used to paying. I asked myself, "Why, suddenly, is gas costing so much? Why has it become so expensive"

Well, clearly, one of the elements of this is the tax we have to pay on the gas. Today in some States the percentage of the actual cost of a gallon of gas in taxes is as high as 40 percent.

One of the core taxes that we have to pay is the Federal tax. I think that to understand why the Federal tax has gotten so expensive, we have to review a little bit of history. It was back in 1993, 3 years ago, which is a time that I am afraid what happened may have faded from people's attention. But it certainly has not faded from people's attention as to how it is affecting their pocketbooks, because when they fill up their car, they are paying the cost for what happened in that period of time. It was at that time that President Clinton came forward with his budget bill and proposed the largest tax increase in the history of the United States, which was passed at the time, and in which there was included the gas tax increase.

There are three things in particular that I think we should focus on, because these three issues were the key focus of the debate back then. The first is the size of that tax increase, which was extraordinary. The second was the retroactivity, which was discussed earlier by the Senator from Alaska. And the third is the energy tax component and what ultimately became the gas tax. But it started out as another energy tax.

Now, that tax that occurred 3 years ago was $275 billion over 5 years. That is, as I mentioned, the largest tax increase in history. I opposed it, and I know Senator COVERDELL opposed, Senator STEVENS opposed it, Senator MACK opposed it. All of us presently on the floor here opposed it. It was pushed through the Congress by President Clinton and his supporters on the liberal side of the aisle. They pooh-poohed our resistance to it. They said America can afford to pay more taxes.

So let me translate what that tax increase means in terms of today. For the past year or so, we as Republicans have been talking about cutting taxes. In fact, we sent a balanced budget down to the President. As part of that balanced budget, we suggested we cut taxes. Initially, we suggested a tax cut of $270 million. That was a 7-year figure. We ended up with a tax cut proposal of $170 billion. Once again, the President said, "That is outrageous, you cannot cut taxes that much." Well, I guess I can understand that, because the tax increase that he hit the American people with back in 1993, over a 5-year period, was scored as a $275 billion increase. But if you look at it in the 7-year context of the budget that we proposed, that was a $400 billion increase in taxes on the American people.

So when you hear the President say that our $170 billion tax cut, which is aimed at benefiting families with children—a $500 credit for families with children—is excessive and too much, you might think, "I guess that is his view of the world," because, in his view, he thought a $400 billion tax increase was just right back in 1993.

And then we have this retroactivity content. This massive tax increase that the American people were hit with in 1993 included an incredibly insidious event. The tax increase was so aggressive, there was so much frothing at the mouth to hit the American taxpayers with new taxes on the other side of the aisle, and from this new President, Mr. Clinton, they were not happy with taxing you in the future $400 billion, they decided to tax you even before you arrived there, putting in retroactive language that said the tax would actually start before President Clinton became President. That is pretty outrageous. Luckily we have people like Senator COVERDELL in this body who has taken that bull by the horns and proposed repealing the concept of retroactivity, or not to allow retroactivity again. Senator STEVENS, chairman of his committee, has agreed to take up that matter.

That is an important point because I think, on the issue of taxes, we ought to be at least as good as the former Soviet Union, as Russia. In the Russian Constitution you cannot have retroactive taxes. But here Bill Clinton has come forward and hit us with retroactivity.

So thanks to people like Senator COVERDELL and Senator STEVENS, hopefully, we will be able to change that so that will not occur again on the American people.

The third issue, of course, is this question of the specifics of this gas tax, because this really is frustrating, because originally what the President suggested was that he wanted, in 1993, something called the Btu tax. They were going to tax every element of energy that people in this country used—every element. In New England that would have been a horrendous event because we have to heat our homes. It is cold in New England, and we use oil, and the Btu tax would have been attached to oil.

But the claim was that this was not really a tax—that this really was not a tax in the sense that we were taking money from the American people. No. The claim of the administration was that this was an attempt to conserve energy, that this was an environmental action. This was sold as an environmental necessity—to hit the American people with a Btu tax. Well, even this Congress could not swallow that piece of malarkey. Oh, they backed up and they said, "All right, we cannot get the Btu tax. We will hit the American people with a 4.3-cent increase in the gasoline tax instead." Again, they claimed it was on the issue of the environment that they were going to do that, raise that tax. Pretty outrageous. Pretty outrageous because at the same time the leadership on the other side of the aisle and the President were excoriating Republicans for being the party of the rich, for being the party that was only concerned about the rich, and they were going to pass a tax on the rich.

That is what their tax was going to be—their tax package of $275 billion back in 1993, which is actually $400 billion if you put it on the budget cycle we are on today.

Retroactivity. It was not going to affect the average, everyday Americans. It was going to hit rich. That is the way it was sold. It was an energy that would benefit people. It would be a benefit to the people of this country because it was needed for environmental protection; and, two, that this whole tax package was going to just be an attack on the rich in this country.

Let me quote from the present Democratic leader—at that time a Member of good standing in the Senate on the Democratic side but not the leader at that time—as to what Senator DASCHLE said about this tax increase that they put on the American people.

> So let no one be misled when it comes to taxes. The taxes affect mostly those making $180,000. The taxes affect those businesses in only 4 percent of the highest income brackets available today, an average income, by the way, of about $565,000.

You tell me when you go to fill up your car at the gas pumps. Does the attendant ask you, "Are you making $180,000 a year?" I do not think so. When you pull your pickup truck up, if you are a farmer in New Hampshire or a logger in New Hampshire and you are trying to make a very small margin because you are in a tough business, does the gas attendant say, "Are you a corporation making $560,000 a year?" I do not think so.

The fact is that this is an incredibly regressive tax, and it was not put in place for environmental protection. It was put in place because there was an avarice amongst the liberal Members of this Congress and amongst this administration by demanding that they take more money from the American people so that they could spend it because they do not happen to believe you can spend your own money.

There is a basic philosophical difference between our two parties. The party of the other side of the aisle does not believe that you know how to spend your money. They happen to think the Government knows how to spend your money. We happen to believe that you know how to spend your money, and you should be allowed to. For that reason, we do not happen to support this type of a tax increase. We did not support it then, and we do not support it now.

So our basic view is, let us let the American people keep their own hard-earned money. When you go into a gas station, let us not have the gas station attendant have to question you as to your income level in order to remain consistent with the loftiness of this administration, but rather let us allow you, the American people, to keep your money and spend it yourself.

That is why we put in place a balanced budget amendment. We put forward a balanced budget bill which would reduce spending and allow us to also reduce taxes. We did not put forward, as the President did, a bill which increased spending and increased your taxes. There is a fundamental difference in philosophy.

So I congratulate the Senator from Georgia on having this special order. I also especially congratulate him on his proposal to pass a constitutional amendment to end retroactive taxes so that we can at least do as well as the new democracy of Russia.

I congratulate the Presiding Officer, the Senator from Alaska, for being willing to hold hearings.

I yield.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. COVERDELL. I want to commend the Senator from New Hampshire not only for his remarks, but I appreciate the very kind remarks addressed to myself and the Chair.

At this time, I yield up to 10 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 10 minutes.

Mr. MACK. Thank you, Mr. President. I thank the Senator for yielding.

Mr. President, I rise today to address the future of the American dream. America was built on the spirit of innovation and ingenuity, the belief in responsibility, and in risk taking. We believed that, if we just did the right thing and we worked hard at it, opportunity would be there. But for many Americans who struggle to earn a living and raise a family, the American dream is now out of reach.

When I ask my constituents this question, "How many of you have a better quality of life than your parents did when they were your age?" most said yes. But when I asked them, "How many of you honestly believe your children will have a better quality of life when they reach your age?" most said no.

Today, Americans are anxious. They are anxious about job security with an economy which is not growing as fast as it should. They are anxious about the future of our Nation when every child born in America today will receive a tax bill of $187,000 just to pay the interest on the Federal debt. They are anxious about paying for a welfare system that discourages work as opposed to encouraging work. They are anxious about the quality of their children's education. They are anxious about the safety of their neighborhoods. They are anxious about a Washington that spends too much, dictates too much, and takes too much of their money to pay for programs that we all now know have failed. We can and must do better.

The Clinton administration will brag that economic growth is strong. However, under Clintonomics, the economy is moving at a slower pace than it has historically. We should not allow this administration to hide behind statistics and lower expectations for the greatest economy in the world.

America was made great because we have strived, sacrificed, and worked together to be the best. We must not settle for economic mediocrity. The Clinton administration will brag that it has created more than 8 million new jobs. So where is the problem? They will not tell you that, if this recovery were similar to previous recoveries, there should have been over 11 million new jobs created. That is 3 million jobs that should have been created for American families and were not because of excessive Washington interference.

The Clinton administration will tell the American worker, "Do not worry. Everything is fine." But the American worker knows better. They feel the anxiety of Clintonomics every time they pick up their pay checks or read a story about loss of jobs and layoffs. We can and must do better. Like every other issue, this administration wants to blame Americans' anxieties on everyone else. Bill Clinton cannot impose the largest tax hike in American history and spend more on Washington programs and work to control more of our lives from Washington without facing the consequences of lost jobs, low wages, and limited opportunities.

A small businessman in Florida told me that he is often forced to tell his employees that the pay raise they were hoping to receive was just sent to Washington, DC.

We can and must do better. We can begin to restore the American dream by cutting Bill Clinton's tax increases.

Next Tuesday marks Tax Freedom Day, the day your entire tax bill would be paid off if 100 percent of your salary were devoted to taxes since January 1.

Let me say that in a different way.

What that means is that between January 1 of this year until May 2, it will take everything you earn to pay your tax bill for the State, local, and Federal governments. This year tax freedom day is the latest it has ever been. For every dollar that is earned, the American people pay 38 cents for taxes at all levels. That is 38 percent of everything we earn. The more you pay in taxes, the less you have to feed your family, educate your children, and put gas in the car. It is no wonder that of all the new jobs in America, more than one-third have gone to people taking an extra job just to make ends meet. Those jobs are not going to young Americans entering the work force for the first time or to those who should be off welfare. They are second jobs that families must have just to get by. It strains the economy, and it hurts our families.

We must free the economy from the burdens of more taxes and more government so resources can be invested in new technologies for tomorrow's jobs. We must cut the capital gains tax rate to allow for more savings and more investment, for more innovation and more opportunity for future generations. Americans are having to work harder and harder just to pay for larger and larger bureaucracies in Washington that include 160 job training programs, 240 education programs, 300 economic development programs, and 500 urban aid programs. American taxpayers feel they are not getting their money's worth and they are not. We must end Washington's appetite for more spending because higher deficits mean higher interest rates for homes, cars and student loans.

President Clinton was wrong to veto the only balanced budget to reach the White House in a generation. We must recover the American dream by controlling America's spending habits. I proposed a way to guarantee spending cuts. It is called the Spending Reductions Commitment Act. An outside group would cut wasteful spending if Washington does not. In other words, it is patterned after the Base Closure Commission. We restore the American dream when we have reduced the cost, size, and scope of government. Most of us believe that Washington is too big, spends too much, and has too many failed programs. We can and must do better to restore the American dream, to free up the American spirit, to restore the promise of hope and opportunity for all Americans. If we get Washington off our backs, away from our schools and out of our pocketbooks, we can return this country to the road of greatness where it has been in the past and where it is destined to be in the future.

I thank the Senator for yielding.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I really appreciate the remarks and comments about hopes and dreams of Americans as represented by the Senator from Florida. It reminded me of a snapshot that we recently took, a financial snapshot as it were, of an average family in Georgia. My guess is there is not a lot of difference between the average family in Georgia and the average working family in Florida. The American people have really been asking us in Washington to change the way we do business.

It is very understandable when you look at this picture. This family of four estimated median income is $45,093. The total Federal taxes on that income are $9,511. That is just over 20—it is approaching 25 percent. The total State and local taxes are $5,234. That is about 12 percent. So the total family tax burden now—they may have had $45,000, but $14,700, or $15,000 has left the family, gone somewhere else for a policy wonk up here in Washington or the State capital to decide how the earnings of that family ought to be spent. They have been removed from the family.

Then there is the estimated cost of Federal regulation. We have gotten into the business, as every American knows, of managing every aspect of our lives and our communities. Well, that cost a whopping $6,615. My goodness, that is more than State and local taxes that that family is now having to pay out in order to regulate. I think if the American family knew that it was paying over $500 a month—more than their car payment, more than their student loan—to fund this regulatory apparatus, they would be astounded.

Then they have to pay the excess family interest payments which are caused by Federal borrowing—$2,011 in higher interest payments because of Federal borrowing.

So the estimated total Government cost to this Georgia family that made $45,093 is $23,371, or 52 percent, Mr. President, of every dollar the family earned.

Thomas Jefferson has got to be rolling in his grave. Not any of our Founders could ever have conceived of a government that would remove over 50 percent of the wages of a wage earner and take it away. And we wonder why there has been a breakdown in the American family. There is no institution that has had a more profound effect on this family than the Government itself. We talk about Hollywood from time to time, we talk about pop culture and everything else, and I think they have had an effect, but nothing compares to this, Mr. President. I mean nothing. To take 52 percent of the working wages out of an American family has a profound effect on the activities of the family.

Mr. President, I see that I have just been joined by the distinguished Senator from Alaska. I know he is eager to speak on the subject of taxation, and I will yield up to 10 minutes to the Senator from Alaska.

The PRESIDING OFFICER (Mr. STEVENS). The Senator from Alaska is recognized.

Mr. MURKOWSKI. I thank my friend from Georgia and wish him a good day as well as the Presiding Officer, my good friend and colleague, Senator STEVENS. Good morning.

Mr. President, I just came from a Finance Committee hearing where our majority leader, Senator DOLE, spoke very eloquently about the issue of the removal of the 4.3-cent-per-gallon gasoline tax. I commend the majority leader as well as our colleague, Senator GRAMM, for proposing the repeal of this unwise and unjust tax.

As everyone knows in this body, the pressure to repeal the 1993 gas tax is, to a large degree, related to the recent spike in gasoline prices that has occurred in every State, with California being especially hard hit. In my State of Alaska where, by necessity, a large number of vehicles must be four-wheel drive, we are currently paying $1.33 for unleaded regular. The irony of that, as you know, Mr. President, is we are providing about 22, 23 percent of all the crude oil that is produced domestically in this country.

Next week, as chairman of the Energy and Natural Resources Committee, I will be holding hearings in that committee to examine the underlying reasons for these price hikes. We are going to have representatives from the major oil companies that produce domestically as well as producers and distributors that depend heavily on imports. We are going to have refiners that depend on domestic supply and those that depend on imports. We are going to have testimony from retailers, and we are also going to examine an element that is often overlooked, and that is the gas tax aspect that is added on by both the State and Federal governments.

The preliminary information I have suggests there are several reasons for these price increases. One is, we have had a very cold, and very extended winter that has forced refiners to continue processing heating oil longer than usual. We have just-in-time inventory methods adopted by many oil companies that have left smaller than normal gasoline reserves on hand.

We have had an increase—and this is interesting—in worldwide demand as a consequence of the fast growing economy in Asia, putting pressure on oil stocks around the world. And America's demand for gasoline has been increasing as more than 40 percent of the new vehicles sold are light trucks or sport utility vehicles that are so popular. And these vehicles only get 15 miles or so to the gallon. And, of course, we have raised the speed limit in many areas.

But, realistically, the discussion of eliminating the 4.3-cent-a-gallon tax, while it is interesting, misses the underlying issue, which is the issue of supply and exploration for new sources of domestic oil. I certainly support repealing the gas tax because it should not have been adopted in the first place. The gas tax hike, along with $240 billion in other new taxes was put through by a Democratic-controlled Senate in 1993 without a single Republican Senator supporting it. It was adopted at that time at the insistence of President Clinton.

But the point I want to make is, we are talking about taking off the gas tax and we are not talking to any degree about the basic problem, and that is the problem of supply. Furthermore, the potential revenue loss associated with this is about $30 billion, if it is extended out and removed for the entire period that is anticipated in the budget.

Let us look at some energy facts. U.S. oil consumption today is 18 million barrels each day. We are importing 9 million barrels each day. In 1973, the year of the Arab oil embargo, U.S. import dependence was 36 percent. It was 36 percent in 1973. Today, it is 51 percent. The Department of Energy predicts that by the year 2000—that is only 4 years from now—the United States will be importing two-thirds of its oil consumption. Since 1973, domestic oil production has fallen by 30 percent. We are producing 30 percent less.

Let me reflect on an action recently taken by the President concerning pulling down the strategic petroleum reserve. As chairman of the Energy and Natural Resources Committee, we authorized, because one of the storage areas in the salt caverns was leaking, the removal of that oil. We anticipated revenue being generated from that sale. It was necessary to get that oil out; otherwise it would have leached into the water table. It was better to get it out and sell it than try to move it to another place.

The President jumped on this as an answer, or a potential relief to the crisis associated with increased gasoline taxes. That is absolutely absurd. Let us look at the strategic petroleum reserve. It contains 580 million barrels, valued at about $16 billion. For the President, in his announcement about releasing 12 million barrels, to suggest that his action is going to drive down prices, it is a drop in the bucket. It is less than a day's U.S. consumption. It is a spit in the ocean compared to world oil production of 60 million barrels a day.

The President also has a proposal to sell an additional 75 million barrels in the year 2002. But that proposal is to use the $1.5 billion proceeds not for energy security, but to pay for social programs. He is using the SPR for the purpose of financing social spending and using it for the purpose of regulating the market price of oil.

The letter "s" in SPR stands for strategic—strategic petroleum reserve is what it means. The purpose of SPR was to preserve the Nation's security in the event of a supply interruption such as we saw in 1973 and 1979, and not for the purpose of financing social spending or, as I indicated, regulating the market price of oil. The President has taken upon himself to turn the SPR into almost a giant piggy bank and a backdoor price regulator, without the consent of the Congress.

So we have a rather curious set of circumstances here. Among the President's other anticipated relief is the assumption, coming from the United Nations, that crude oil prices would drop if Iraqi oil came back on the market. How quickly we forget. It is interesting to look at this proposal. The United Nations suggests that if it is satisfied that Iraq has allowed full and complete inspections of its nuclear weapon capability, that for humanitarian purposes Iraq would be allowed to sell roughly $1 billion worth of oil. That amount of oil equates to about 50 million barrels every 4 months, or 150 million barrels per year.

Not so long ago we had a half million American troops, some of whom lost their lives in that Persian Gulf conflict. That conflict was all about Saddam Hussein controlling the world supply of oil and, as a consequence, the stranglehold that he imposed on the Kuwaitis—and he was looking at the Saudis.

Mr. President, I wonder if I can ask my colleague for 3 more minutes so I can finish my statement?

Mr. COVERDELL. I yield 3 minutes to the Senator.

Mr. MURKOWSKI. So, is it not rather ironic that suddenly we are looking for relief from Saddam Hussein who just a few years ago we tried to put in a cage because he was a threat? He was a threat to the world supply of oil. He must be laughing, saying, "Ain't America great? Here they are, needing the contribution of Iraqi oil on the market." What a curious set of events.

I can recall in 1971, Senator DOLE, Senator McClure, Senator SIMPSON, Senator Metzenbaum and myself met with Saddam Hussein. It was clear at that time when we were over in Baghdad that he intended to try to control the supply of oil. The problem is, nobody believed it at that time. But here we are today, looking to Iraq to come back on line so we might relieve our dependence on imported oil.

Mr. President, in the Washington Post today, Charles Krauthammer has a very interesting article. It is entitled, "A Nation of Crybabies." In answer to the question of why the price is increasing, he responds by saying: "How about—a wild guess—because supply is down and the demand is up?"

Why is the supply down? He says the country raised the speed limit. He says the sport utility roadsters are using more and more gas. He also says that crude oil production has dropped 32 percent in the last 25 years, and we will not allow drilling in the Arctic National Wildlife Refuge for fear of disturbing the mating habits of the caribou.

He goes on to say more about supply:

> U.S. crude oil production is in serious decline.

We know that. Alaska has been producing about 23 percent of the total crude oil.

He says:

> The North Slope of Alaska holds potentially the largest oil field in North America, bigger even than Prudhoe Bay next door, which produces 600,000 barrels a day. Unshakable opposition from Democrats has for 15 years prevented even test drilling there. Don't want to disturb a pristine environment, even in a place not one in a million Americans will ever see? Fine.

But you better be prepared for the cost.

Finally, Mr. President, it is fair to say that we are at a crisis. We are going to be facing increased gasoline prices. The Fourth of July we could be seeing gas prices substantially higher. I suggest they will be over $2 and in some parts of the country, they could approach $3.

Finally, we have no extraordinary political development in the Mideast that can be blamed for the current price rise, but the problem relates to supply and demand. And I suggest that this body, the Senate as well as the House of Representatives, has passed an answer. They passed ANWR. ANWR passed the House and passed the Senate. There is just one person standing in the way of opening up this huge reserve that would give us energy independence, and that is President Clinton. He has to bear the responsibility associated with it.

So repealing the 4.3-cent gas tax is a modest step, it is a necessary step, but the ultimate issue is developing our own resources.

I thank the Chair, I thank my good friend from Georgia, and I wish my colleagues a good day.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I yield up to 10 minutes to the distinguished Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa is recognized for up to 10 minutes.

Mr. GRASSLEY. Mr. President, you can still hear these words echoing from 4 years ago: "I oppose Federal excise gas tax increases. It sticks it to the lower income and middle-income retired people in the country, and it's wrong."

Four years ago those words were stated.

These are not my words, Mr. President, these are the words of Bill Clinton who was running for President in 1992 and who was elected.

Just 1 year later after that campaign, President Clinton proposed and won passage of Federal excise gas tax increases. In the process, he really stuck it to the lower income and middle-income retired people in the country and it is wrong, contrary to those very words he used in 1992.

You might say, Mr. President, that he really stuck it to a lot of people more than just the folks who are retired. He stuck it to the entire population across the board—farmers, truck drivers, commuters, bus drivers, vacationers, boaters—you name it, Mr. President, President Clinton really stuck it to them.

In fact, it was done along party-line votes. It was part of the largest tax increase in the history of our country. Not a single Republican voted for it. Democrats controlled the White House and both Houses of the Congress. Their fingerprints alone are all over the scene of this crime, the raising of the biggest tax increase in the history of the country.

This President has a real problem with his record of saying one thing and doing another. We who are elected should perform in office commensurate with the rhetoric of our campaign. We should also expect the President of the United States to do that. And, of course, the examples I am using today are just one of many cases. All of them combine to leave people cynical about their leaders in Government.

Last year, the President was in Houston addressing a group of high-dollar contributors at a Democratic fundraiser. Here is what he told them about his record tax hike of 1993. This is what he said about the biggest tax increase in the history of the country. He said this to his rich friends at that fundraiser: "Probably there are people in this room still mad at me, at that budget, because you think I raised your taxes too much. It might surprise you that I think I raised them too much, too."

What is interesting is that this seeming apology was to well-off Americans in Houston from whom he was raising money. But you have not heard the President apologizing to those lower income and middle-income Americans who he really stuck it to and he was speaking to in the 1992 campaign.

In America, I thought that we defined fairness as treating everyone the same. That means rich and poor, black or white. We are all equal. So he apologized to higher income folks in Houston for raising their taxes. Can lower and middle-income Americans and workers in this country also expect an apology from the President? Why is it fair to tax lower and middle-income workers who are trying to save for their future? These are the citizens who need tax relief the most. They have a harder time paying the bills and paying their taxes, whether it is income tax or the gas tax at the pump.

The President's response to our call to eliminate the gas tax was pure political panic earlier this week. Somehow, like selling off a few million barrels would accomplish this problem, but instead it had the effect of a gnat taking a nibble out of an elephant.

I will tell you what would have a bigger impact than selling off the strategic petroleum reserve. The President should get some of his Cabinet Secretaries to stop their frequent flier trips they have going around the world. That would save much more.

The basic problem with this administration and the other side of the aisle that supports this administration is that their idea of running Government is the old established principle of their party taxing and spending. Translated, that means that the Government's budget goes up while family budgets go down. It is a zero sum gain.

If the Government's budget grows, the family's budget automatically shrinks. This is upside-down economics, and we have seen it before from the other side. So it is not voodoo economics, it is deja voodoo economics. It is called tax-and-spend.

President Clinton and our friends, the Democrats, have it all upside down. Their way has created falling income for workers while increasing the taxes on working Americans. It is a double whammy. It is a one-two punch on the workers of America. It really sticks it to them, something the President said he was going to avoid in that 1992 campaign.

The President should show moral leadership. The President should do the right thing. He should begin by apologizing to lower- and middle-income workers for raising their taxes, like he apologized to those rich Americans at the Houston Democratic fundraiser.

We in this body may not be able to force the President to apologize, but we can do something even better for these people. We must restore their faith in their elected leaders here in Washington. That must have a high priority. We can do that right away by helping the President keep his promise to the people that he made in 1992 not to raise the gas tax because it was going to hurt the retirees and the lower and middle-income working Americans. We can help restore the faith of these people in Washington by repealing the gas tax.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I want to thank the Senator from Iowa. He has pointed to something that I think baffles many Americans. I think they expect that there should be some relevance between what people say when they seek public office and what they do if they get it. There should be a connection.

As the Senator from Iowa noted earlier, when a person travels the country and says, as President Clinton did, "Raising gas taxes sticks it to lower income and middle-income retired people in the country, and it is wrong," an intelligent American citizen would expect that that person, if in office, would not raise gas taxes because he said he would not raise gas taxes.

Then you barely get the bags unpacked at the White House, and you are up here with a proposal to raise gas taxes. The actual proposal was even higher than what happened—double. This has had a profound effect, in particular, on low-income people.

President Clinton's gas tax increase especially hurts lower income families. According to the Joint Economic Committee, the lowest 20 percent of taxpayers pay 7.1 percent of their income on gasoline. The top 20 percent of taxpayers pay only 1.6 percent. In other words, the lowest income families in America, the lowest income—we remember all the rhetoric that this tax increase only affects the rich—but the lowest income families in America pay four times as much of their disposable income on gasoline than the highest 20 percent.

Mr. President, I was talking a moment ago about this average family in Georgia which is very similar to data in every State. There are differences, but it is very close. This family, I said, made $45,093. I went through a litany of the State tax, the Federal tax, the FICA tax, regulatory costs, higher interest payments. At the end of the day, of the $45,093, this family of four got to keep $21,722. That is all they had left to do everything we asked of a family, which is to raise America, house America, clothe America, transport America, provide for the health of America. That is what we are asking of this family. But we only leave them a little less than half of their total wages to do it.

Here is the point I want to make, Mr. President. This gets back to the promise to the American people the President made. He said, "I am going to lower your taxes," which meant that this amount of money that they had left would be larger. They responded to that.

But in fact, Mr. President, what has happened? In fact, they have $2,600 less in their checking account because President Clinton came to Washington as their new President. They thought they were going to get more in the checking account, but they got $2,600 a year less. And the meter keeps running with this Presidency. The gas tax, which every time that mother takes the child to the doctor or the car pool to the school or goes to the grocery store, that tax meter is running on the gas tax. It just runs and runs and runs.

We are suggesting, Mr. President, that President Clinton's gas tax, 4.3 cents per gallon, be ended, that we stop doing that and we leave that amount of money in the checking account of this family.

That will not correct, by any means, the effect of the President's higher taxes on the family. But it starts in the right direction. It will leave about another $100 to $200 in the checking account of this family that I have been talking about, and that is where it ought to be. We ask so much of this family, our families across the country, and we have taken so much of their resources away. This is a good beginning. End this gas tax, leave that money in these checking accounts, and then get on to the business of lowering taxes even more. It is just inexcusable that American families forfeit half their income to Government, to policymakers in Washington.

Mr. President, this gas tax is pervasive because it hits in many different ways. The total cost of the gas tax increase—take, for example, the State of California. California is forfeiting $550 million. That is half a billion dollars a year coming right out of the California economy. They have had some rough times in California. They have had disaster after disaster. But they are losing $550 million per year because of this gas tax.

Take the State of Texas, $368 million a year. Florida, $263 million a year. My own State has lost $60 million a year because of this gas tax. What do State governments do when they lose revenue? They raise taxes. Sixteen States in our Union have raised gas taxes to make up for the reduced consumption that came when the President raised his taxes.

Mr. President, the majority leader, BOB DOLE, said in an article in USA Today—he was quoting the comment made by the Senator from Iowa—"Probably there are people in this room still mad at me— " this is President Clinton talking to a group in Houston. "Probably there are people in this room still mad at me over the budget because you think I raised your taxes too much. It might surprise you to know, I think I raised them too much, too."

Mr. President, for the President to admit he raised taxes too much, and then to call on his colleagues here time and time again to block every attempt to reduce taxes on the American people, no wonder the American people become cynical about our Government when we have policymakers who go to them and make promises and come here and do exactly the opposite. The empirical evidence always shows that when they do the opposite, the person that gets the brunt of the deal is the average American family.